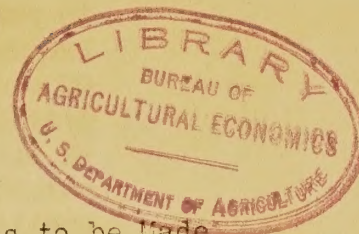


UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN DIVISION



Procedure to be Followed in Connection with Loans to be Made
by the Farm Security Administration to Enable Producers to
Carry Out Approved Soil-Building Practices under the 1938
Agricultural Conservation Program.

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I. Introduction. Arrangements have been made with the Farm Security Administration relative to making loans to producers participating in the 1938 Agricultural Conservation Program for the purpose of purchasing materials to be used in carrying out approved soil-building practices. It appears that there will be sufficient funds within reasonable limits with which to take care of all applicants who are eligible for these loans.

II. Eligibility. Loans will be made only to producers who meet the following qualifications:

- A. Producers who without such a loan would be unable to participate in the 1938 Agricultural Conservation Program because of inability to finance the purchase of materials necessary to carry out soil-building practices - that is, producers who do not have funds of their own with which to finance purchases of such materials and for whom private financing is not available.
- B. Producers certified by the county committee from the standpoint of character and integrity.
- C. Producers who agree to use the full amount of the loan for the purchase of materials to be used in carrying out approved soil-building practices under the 1938 Agricultural Conservation Program.
- D. Producers who have not executed and agree not to execute an assignment of their payment other than to the Farm Security Administration.

III. Size of Loans. The amount of the loan recommended by the county committee shall not exceed:

- A. 60 percent of the estimated maximum payment with respect to the farm; or
- B. 100 percent of the estimated cost of materials to be purchased and used in carrying out the intended soil-building practices, whichever is smaller.

IV. Investigation of Applicants. It is not anticipated that the Farm Security Administration will make an investigation of each case. The determination of whether or not the loan is made will depend largely upon the report made by the county committee. Therefore, care should be taken in recommending these loans.

V. Terms and Security. The notes covering these loans will be payable upon demand with interest at 5 percent during the effective period of the loan. As security for the loan the producer will be required to assign the amount of the loan to the Farm Security Administration on Form ACP-69.

VI. Forms. Each State office will be furnished, for distribution to the county offices, a supply of Form ACP-72 and the Farm Security Administration will furnish the county offices through the local Farm Security Administration supervisor the following forms to be used in connection with these loans:

- A. Form FSA-FI-5 or FSA-FI-5 Revised, "Public Voucher".

B. Form FSA-RR-15, "Loan Agreement and Request for Funds".

C. Form FSA-LE-31B, "Promissory Note".

VII. Procedure for Executing Forms. Each producer who applies for a loan must have filed for his farm a Form SR-101 prior to the closing date.

The county committee will fill out Form ACP-72, "Farm Security Administration Loan Report", in quintuple to be distributed as indicated at the bottom of the form. On this form the county committee will indicate the maximum soil-depleting acreage allotment payment, the maximum payment with respect to soil-building practices, the maximum total payment for the farm which is the payment for the farm for full performance under the 1938 Agricultural Conservation Program, and the soil-building goal. The county committee will also indicate in the spaces provided on the form all of the approved soil-building practices which the producer intends to carry out in 1938, showing the amount of materials (including seed and tractor fuel and oil) to be purchased for such practices and the estimated cost of such materials. At the bottom of this form the county committee will indicate its recommendation and approval with respect to the amount of the loan. Form ACP-69 will also be executed in accordance with instructions in ACP-70 (with two copies for the Farm Security Administration).

Each producer applying for a loan will execute in the county agricultural conservation association office and file with the county committee the three FSA forms indicated above in accordance with instructions to be supplied by the Farm Security Administration. After these forms are executed the county office will forward the complete file (Forms FSA-FI-5 or FSA-FI-5 Revised, FSA-RR-15, and FSA-LE-31B, two copies of Form ACP-69, and the original and one copy of Form ACP-72) for each case to the local Farm Security Administration supervisor who will in turn forward them to the Regional Office of the Farm Security Administration. Upon approval of the loan by the Farm Security Administration, the check will be mailed to the local Farm Security Administration supervisor for delivery to the producer.

The remaining copies of Form ACP-69 will be handled in accordance with instructions in ACP-70 and the remaining copies of Form ACP-72 in accordance with instructions printed at the bottom of the form.

VIII. Rejection of Loans. The Farm Security Administration will reserve the privilege of rejecting applications, but it is anticipated that rejections will be limited to applications from producers to whom it has previously made loans and with whom it has had unsatisfactory experiences.

IX. Exchange of Lists of Local Offices. Each State Administrative Officer in Charge will be supplied by the Farm Security Administration Regional office for Region 12 located at Amarillo, Texas, with a list of the names and addresses of each local Farm Security Administration supervisor with the territory served by each. Each State Administrative Officer in Charge will furnish the Amarillo office of the Farm Security Administration with a list of the county offices which are included in Region 12.

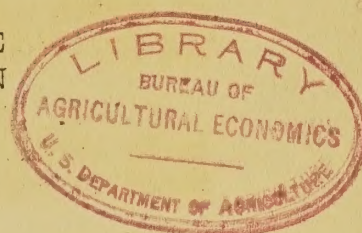
I. W. Duggan

I. W. Duggan,
Director, Southern Division.

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN REGION



SOUTHERN REGION MISCELLANEOUS SERIES

INSTRUCTIONS REGARDING THE REPORT OF SOIL-BUILDING
PRACTICES TO BE CARRIED OUT ON FARMS OF SOIL CONSERVATION SERVICE
COOPERATORS (FORM ACP-74)

A procedure in 1938 similar to that used in 1937 will be followed in connection with the 1938 Agricultural Conservation Program where soil-building practices are being carried out on a farm on which a program is being carried out in cooperation with the Soil Conservation Service (hereinafter referred to as the SCS). Under this procedure soil-building practices listed in Section XIV of Southern Region Bulletin 201 which are carried out by producers on such farms are to be approved by the SCS as being consistent with the farm plan worked out with the SCS.

In order that the operators of these farms may work out with the SCS the soil-building practices to be carried out under the 1938 Agricultural Conservation Program, Form ACP-74 has been prepared. This form is similar to Form ACP-35 which was used for this purpose in 1937 and will be filled out and approved by the producer and a representative of the SCS from the project or camp area with which the producer is cooperating. Wherever possible the county office should furnish the representative of the SCS with the soil building goal or as accurate an estimate as possible of the goal, for the farm.

Form ACP-74 will be filled out in triplicate. The original will be submitted to the county office, one copy retained by the project or camp area representative of the SCS and one copy retained by the producer. The county committee will be furnished with a list of producers cooperating with the SCS in the county in order that they may inform these producers of the necessity for executing Form ACP-74.

The instructions prepared by the SCS provide that:

1. A copy of the SCS farm map, if available, or a sketch map will be attached to Form ACP-74 and will be used to locate the fields on which approved soil-building practices are to be carried out on the farm.
2. The soil-building practice number for each approved soil-building practice listed in Section XIV of Southern Region Bulletin 201 which is consistent with the farm plan worked out with the SCS, and which the producers on the farm propose to carry out in 1938, will be entered in column A.
3. The field numbers corresponding to those used on the farm map

or sketch map indicating the fields on which each approved soil-building practice is to be carried out will be entered in column B.

4. The extent to which each approved soil-building practice is to be carried out (expressed in acres, pounds, feet, etc.) will be entered in column C.

5. The share of the total expense (including labor and materials) for carrying out each of the approved soil-building practices which is furnished by the SCS will be entered in column D. Under the 1938 Agricultural Conservation Program one-half credit will be given for carrying out any soil-building practice on an acreage with respect to which the materials and labor furnished by State and Federal agencies (including the SCS) constitute less than one-half of the total expense incurred in carrying out the practice on such acreage. If the labor and materials furnished by the SCS constitute one-half or more of the total expense incurred in carrying out a soil-building practice on any acreage, no credit will be given under the 1938 Agricultural Conservation Program for carrying out that practice on such acreage. The share entered in column D will be expressed in a percentage or as "less than one-half", "One-half or more", or "None", whichever is applicable.

6. The applicable number of soil-building practice units for carrying out each approved soil-building practice on the farm in 1938 will be entered in column E. The project or camp area representative should be advised that the factor for determining the number of units for each practice may be determined from section XIV of SRB-201 or from the report of performance.

7. The description of the practice and any special comments regarding the carrying out of the practice will be entered in column F. The county committee should discuss the plans and procedure with a representative of the project or camp area of the SCS in order that they may work together effectively.

I. W. Duggan

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Director, Southern Division.